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IN THE

Supreme Court of the United States

OCTOBER TERM, 1982

AMFAC FOODS, INC.,

Petitioner,

v.

ORE-IDA FOODS, INC.,

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

REPLY BRIEF FOR THE PETITIONER

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TABLE OF CONTENTS

	Page
TABLE OF AUTHORITIES	ii
REPLY BRIEF FOR THE PETITIONER	1
A. Although the scope of the patent is a legal issue, the question of equivalence is a factual issue	1
B. Fed. R. Civ. P. 52(a) applies to a finding of equivalence, even when such a finding is inferred from facts the court of appeals asserts are undisputed	3
C. Despite respondent's suggestion that equivalence is a mixed question of fact and law, this Court has established that, for purposes of appellate review, the issue is factual	4
D. Equivalence is not an "ultimate" fact which an appellate court can review free of the clearly erroneous standard of Fed. R. Civ. P. 52(a)	5
CONCLUSION	6

TABLE OF AUTHORITIES

Page

CASES:

Coupe v. Royer, 155 U.S. 565 3

Graver Tank & Mfg. Co. v. Linde Air Products Co., 339 U.S. 605 1,4,5

Hanovia Chemical & Mfg. Co. v. David Buttrick Co., 127 F.2d 888 (1st Cir. 1942) 4

Olympic Fastening Systems, Inc. v. Textron, Inc., 504 F.2d 609 (6th Cir. 1974), *cert. denied*, 420 U.S. 1004 3

Pullman-Standard v. Swint, 102 S. Ct. 1781 4,5

Sanitary Refrigerator Co. v. Winters, 280 U.S. 30 4

Singer Manufacturing Co. v. Cramer, 192 U.S. 265 3

Studiengesellschaft Kohle v. Eastman Kodak Co., 616 F.2d 1315 (5th Cir. 1980), *cert. denied*, 449 U.S. 1014 2

United States v. Singer Mfg. Co., 374 U.S. 174 4

United States v. United States Gypsum Co., 333 U.S. 364 4

RULE:

Fed. R. Civ. P. 52(a) 2,3,4, 5,6

OTHER AUTHORITIES:

Fed. R. Civ. P. 52 advisory committee note 4

9 C. Wright & A. Miller, *Federal Practice and Procedure* (1971) 4

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REPLY BRIEF FOR THE PETITIONER

A. Although the scope of the patent is a legal issue, the question of equivalence is a factual issue.

This Court has unequivocally held that "[a] finding of equivalence is a determination of fact." *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 609. For the most part, respondent's brief ignores this question, and the import of this Court's decision in *Graver Tank*.

Respondent seeks to divert attention from this basic question by emphasizing that construing the scope of the patent is a question of law. Respondent states that the decision below reversing the district court's finding of infringement was "based on the legal question of the scope of the patent." (Br. in Opp. i.) But, the court of appeals did not simply interpret the scope

of the patents in suit; it also disagreed with the trial judge's finding on the issue of equivalency.[1]

In discussing the applicable law, the court stated the test which it would apply in resolving the question of infringement: "infringement will be found only when the accused device performs substantially the same function in substantially the same way to obtain substantially the same result as the patented device or its equivalents." (Pet. App. 2a; citation omitted.) Then, the court of appeals made a claim-by-claim analysis and expressly made findings which were recognized as findings regarding infringement, not claim scope. The court, in referring to the method claims, stated that the Box Cutter "does not produce substantially the same result through substantially the same means as does the Amfac device." (Pet. App. 3a.) In referring to apparatus claim No. 8, the court said that the guide plates of the Ore-Ida device "may perform substantially the same function," but then said that "they do not do so by substantially the same means, nor do they produce substantially the same result." (Pet. App. 3a.) Lastly, when referring to the blades of the Ore-Ida device, the court below said that they did "not achieve substantially the same result as the Amfac blades." (Pet. App. 4a.) Thus, it is apparent that the court clearly and expressly undertook the task of providing findings on the question of infringement. The relevant inquiry here is whether, in reviewing the trial court's finding on the issue of infringement, a factual inquiry, the court of appeals was bound by the "clearly erroneous standard" of Fed. R. Civ. P. 52(a).

As the Fifth Circuit has recently summarized, it is standard doctrine that, "[a]fter the court has articulated the scope of the patent by construing it, the court must then explore the infringement issues." *Studiengesellschaft Kohle v. Eastman Kodak Co.*, 616 F. 2d 1315, 1324 (5th Cir. 1980), *cert. denied*, 449 U.S. 1014. Although the construction of the patent is a matter of law, the finding as to whether the accused machine is equivalent to the patented device, so defined, is a question of

[1] Contrary to respondent's suggestion (Br. in Opp. 6-7), there is no requirement that all equivalents be found in the specification of the patent in suit.

fact. *Olympic Fastening Systems, Inc. v. Textron, Inc.*, 504 F. 2d 609, 619 (6th Cir. 1974), *cert. denied*, 420 U.S. 1004.[2] Respondent's emphasis on the *legal* nature of the *scope* of the claims does not, therefore, answer the question presented by this petition—whether a court of appeals is bound by the "clearly erroneous standard" of Rule 52(a) in reviewing a finding of *equivalence.*

B. Fed. R. Civ. P. 52(a) applies to a finding of equivalence, even when such a finding is inferred from facts the court of appeals asserts are undisputed.

Respondent concedes, as it must, that this Court has held that equivalence is a *factual* issue, and that a trial judge's finding on the issue should not be disturbed on appeal in the absence of a determination that the trial judge's conclusion is clearly erroneous.[3] Respondent contends, however, for a variety of reasons, that appellate circumvention of this clearly established principle is nevertheless appropriate.

Respondent repeats the essence of the justification offered by the court of appeals for refusing to adhere to the clearly erroneous standard of Fed. R. Civ. P. 52(a), namely, the theory that when "the facts are not in dispute, the determination of equivalency and infringement is a question of law." (Br. in Opp. 9.) As stated in the petition (Pet. 7), this theory is inconsistent with Fed. R. Civ. P. 52(a) and the decisions of this Court. Fed. R. Civ. P. 52 (a) applies "*to all classes of findings*

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[2] In *Coupe v. Royer*, 155 U.S. 565, 579, this Court stated that, although it is the province of the court to define the patented invention, it is the province of the jury to decide the *factual* question of whether the invention, so defined, is infringed by the accused machine. To suggest that the court of appeals simply resolved the issue of the scope of the patent, a legal inquiry (as is consistent with representations made by Mr. Taylor at trial, see Br. in Opp. 10-11) is to ignore the step of using that legal determination in the factual inquiry of infringement, either by equivalents or otherwise. The final step of determining infringement cannot be ignored or overcome by any determination of patent scope. The court of appeals was required to review the trial court's finding of infringement, a factual determination.

[3] As with all factual findings, there may be instances in which the determination of equivalency can be made as a matter of law. For example, in *Singer Manufacturing Co. v. Cramer*, 192 U.S. 265, which is cited by the respondent, this Court found that the question of infringement was one of law. This was so, because the inference to be drawn from the undisputed facts was so clear that the defendant was entitled to a directed verdict. When conflicting inferences can reasonably be drawn, however, the initial determination must be left to the finder of fact.

in cases tried without a jury whether the finding is of a fact concerning which there was conflict of testimony, *or of a fact deduced or inferred from uncontradicted testimony.*" Fed. R. Civ. P. 52, advisory committee note (emphasis added); *see United States v. Singer Mfg. Co.*, 374 U.S. 174, 194 n.8; *United States v. United States Gypsum Co.*, 333 U.S. 364, 394. The characterization of a finding as factual—and *Graver Tank* established that a finding of equivalence is indeed a factual question—does not change when that finding is deduced or inferred from what the court of appeals asserts are undisputed facts.[4]

C. Despite respondent's suggestion that equivalence is a mixed question of fact and law, this Court has established that, for purposes of appellate review, the issue is factual.

Respondent also seems to try to justify the court of appeals' failure to adhere to the clearly erroneous standard of Rule 52(a) in reviewing a finding which this Court has characterized as one of fact by (1) claiming that the issue presented is a mixed question of fact and law, and (2) referring to this Court's recent statement that "[t]here is . . . support in decisions of this Court for the proposition that conclusions on mixed questions of law and fact are independently reviewable . . . ." *Pullman-Standard v. Swint*, 102 S. Ct. 1781, 1790 n.19. However, to assert that Rule 52 does not apply when the resolution of a lawsuit involves both legal and factual elements is to oversimplify the matter.[5]

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[4] Respondent's citation to *Sanitary Refrigerator Co. v. Winters*, 280 U.S. 30, does not compel a contrary conclusion. That case is not dispositive of the fact/law characterization because, there, this Court was reviewing conflicting decisions *from different circuits* on the infringement of the same patent, "when necessarily . . . [this Court] is called upon to 'consider independently the question as to which . . . [circuit's] decision[ ]. . . is based upon the sounder reasoning and is correct.' " *Hanovia Chemical & Mfg. Co. v. David Buttrick Co.*, 127 F. 2d 888, 889 n.3 (1st Cir. 1942) (quoting *Sanitary Regrigerator Co. v. Winters*, 280 U.S. 30, 36).

[5] "It is less clear that it is very helpful to say generally that mixed questions of law and fact are entirely outside the 'clearly erroneous' rule. In a long line of cases courts have held that that rule limited review of matters that certainly seem to contain both legal and factual elements." 9 C. Wright & A. Miller, *Federal Practice and Procedure* § 2589 at 756 (1971).

Even though, as an abstract proposition, it may be a mistake to draw rigid distinctions between fact and law, the characterization of specific questions must be made in order to define the appropriate standard of appellate review, that is, the important question of the relative functions of the trial and the appellate courts. In this context, this Court has already resolved the characterization issue. "A finding of equivalence is a determination of fact," *Graver Tank & Mfg. Co., supra,* at 609, and, as a result, an appellate court is bound by the clearly erroneous standard of Rule 52(a) in reviewing a trial judge's finding on the issue.

D. Equivalence is not an "ultimate" fact which an appellate court can review free of the clearly erroneous standard of Fed. R. Civ. P. 52(a).

Respondent also seems to suggest that equivalence is an "ultimate" fact, and that Fed. R. Civ. P. 52(a) does not apply to appellate review of a trial court's finding on the issue. But, as this Court made clear in *Pullman-Standard v. Swint,* 102 S.Ct. 1781, 1789, "[Rule 52] does not divide facts into categories; in particular, it does not divide findings of fact into those that deal with 'ultimate' and those that deal with 'subsidiary' facts." For purposes of appellate review, the only division that needs to be made is between fact and law. And, although "Rule 52 does not furnish particular guidance with respect to distinguishing law from fact," *id.,* this Court has already decided the question with respect to the issue involved in this case.

CONCLUSION

In sum, respondent's brief either ignores the questions presented, or provides explanations for the court of appeals' free review of the trial judge's finding of equivalency which are inconsistent with Fed. R. Civ. P. 52(a) and the decisions of this Court. The decision below raises an important and recurring problem concerning the scope of appellate review in patent infringement cases.

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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